

Poland

FDD Abstract of [REDACTED]

THE POLISH ECONOMY AT THE END OF 1950 (21 pp; Polish, Prior to the end of 1950)

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This is an essay analyzing the economic goals of the Three-Year and Six-Year Plans in Poland, under the following headings:

1. Consequence of the Postwar Economic Evolution in Poland (1 p)

Since the end of World War II, the Polish economy has been undergoing an orderly evolution aiming at complete transformation on the Soviet model. The goals of both 3-Year and 6-Year Plans are identical: building of a socialist community, economy, and state. Both plans stress expansion of the production of capital goods at the expense of consumer goods, the 6-Year Plan being the more extreme.

2. The 3-Year Plan as Preparation for "Building of Socialism in Poland" (2 pp)

The book On the 3-Year Plan of B. Minc, written in 1947, indicated, along with the Soviet press in 1946, 1947, and later, that the main purpose of the 3-Year Plan was to create the prerequisites for the next stage, the building of socialism. The following chronology indicates an orderly development of these prerequisites: early 1947 - the first decision to introduce collectivization; summer 1947 decision adopted by Central Committee of PPR; summer 1948 Central Committee of PPR prepares resolution to collectivize agriculture; Dec 1948 Merger Congress adopts resolution; Mar 1949 first collective is set up in Jasice village.

There is increasing limitation of commercial and financial relations with Western Europe and USA and closer cooperation with the USSR and satellites. The poorly equipped industrial labor force must offset reduced productivity by adopting stachanovite methods.

3. Collectivization of Agriculture (8 pp)

From 1948 on, Poland adopts Soviet discrimination against prosperous peasants. They are excluded from credit arrangements and tractor station services, and must pay higher tax rates, etc. Whereas the tax rate starts at 2 percent of income for the poorest peasant, the 170,000 richest peasants will be required to pay 17-18 percent. Costs of electrification, likewise discriminatory, range from 13,500 zlotys for the poorest to 173,000 zlotys for the richest.

Discusses Polish collectives according to Nowe Drogi, No 3, 1949 /00W-4318-49/ and compares these with Soviet system.

Discusses data on progress of collectivization as reported by Zambrowski in Nowe Drogi, Sep-Oct 1950.

4. Industrial Employment (5 pp)

Author believes Polish industry is capable of producing enough farm machinery to support collectivization program, but speculates on possibility that industry will not develop rapidly enough to absorb displaced agrarian population productively and surplus will be forced into labor camps. The necessary industrialization cannot take place without large imports of capital goods, which are being restricted in trade with the West. The USSR's ability to provide capital goods is diminishing in step with the growing international tension and growing satellite armies. Assuming that \$1,500 investment is required for each newly-employed industrial worker, the planned increase of 2,100,000 in industrial employment during the 6-Year Plan would require an annual investment of \$526 million, or \$22 per capita for industrial investments alone. Total 1949 investments, including agriculture, were \$9 per capita. The author concludes that Poland will either have to abandon the plan to increase industrial employment, or force it through with a drastic cut in productivity and standard of living.

5. Currency Reform (4 pp)

The 1950 currency reform in Poland had been foreshadowed by the growing inflation since 1948. With the accepted method of financing investments in Poland, such a reform is likely to take place whenever inflation overtakes the economy. Inflation will recur because of the high rate of capital formation and longrange character of the investments. Gives main provisions of the currency reform and concludes that it served to weaken the capitalist elements.

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/Foreign language document or microfilm thereof is available from CIA Lib, [REDACTED]

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